As regards the Standing Finance Committee recently constituted by Government, the Member said that he was not fully convinced of its utility, seeing that it was a purely advisory committee.

Dewan's reply.—Last year and the year before the last, I requested the Members who intended to speak upon general subjects, like the one which you have taken up this time, to give me some idea in advance as to the points on which you proposed to speak. I regret that you have not given me this facility even this year. You have touched upon a number of things of a very general character and you have made a number of assertions. You will excuse me, if I say that, in regard to certain statements made by you, you will find on further examination that they are not borne out by facts. You say that one department underwent two reorganisations in the course of one year. I am not aware of any such reorganisation. Again, you say that we are not getting, for ganja, the whole of the profits that are due to us, while as a matter of fact we are getting the whole of the profits under an arrangement made since I came to Travancore. In regard to some of the other statements you have made, I am not in a position to give a detailed reply now. They require a certain amount of examination and that needs time. You have practically covered the whole ground of administration.

You spoke of fresh taxes. I do not know of any proposal to impose any fresh tax in Travancore now, and so there is no occasion to talk of this now, so far as I know. You must also remember, as I pointed out in my Address last year, that after the advent of the reformed Legislative Council any matter involving fresh taxation will ordinarily come up before that body.

Then again you spoke about the large increase in the revenues of the State. That there has been an increase cannot be denied, but when it is put forward as an abstract statement, its significance cannot be understood easily. No doubt there is an increase in revenue, but we will have to see whether that increase has been abnormal or whether it is only an automatic and natural increase. Before a satisfactory reply can be given, it will also be necessary to see how the revenues in other States similarly conditioned have been faring. These are matters in regard to which dogmatic answers cannot be given at once.

You have referred to what you consider to be the unsatisfactory position of the State in regard to its railways and have stated that Cochin has been able to modify the original arrangement it had with the South Indian Railway Company in regard to its railway. I am not aware that any such modification has been made. As a matter of fact, the position of Cochin is altogether different from ours. The Cochin State owns its railway now and only its management and working are with the Railway Company. That is not the case with Travancore.

Member.—They have the power to scrutinise the accounts of the railway.

Dewan.—Only 8 days ago I had a talk with the Comptroller of Accounts, Cochin, and I asked him what sort of powers they had in regard to that railway. He said : "We have absolutely no powers. The Railway Administration sends us returns annually or half-yearly". So even there your statement is not correct. That does not, however, mean that we should keep quiet and not try to effect changes for the better. But effecting changes in matters which have been finally settled once is not easy.

2. Certain suggestions for improving the income of both the Government and the people.

Mr. P. J. Kurien (Member, Nominated) referred with satisfaction to the Dewan's assurance that no fresh tax would be imposed. The diminishing closing balance was an undesirable feature of the State's finance, and if that was to continue, there was the possibility of new taxes being levied. The Member was of opinion that, in spite of the recent endeavours to curtail expenditure on service heads, there was room for furthur retrenchment, and suggested the appointment of a Retrenchment

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Committee on the model of the Geddes or the Inchcape Committee. Promotion of industries was the only means of augmenting the State's wealth and the Member thought that the Government should start industries with a view to their management being handed over to private bodies when the latter became fit to take up such management. Movement of trade being quite essential to the advancement of the material prosperity of a country, it should been couraged in all ways, and some of the ways of attaining that object were the appointment of commercial agents in important foreign cities and the sale of all Government articles through them, as also the improvement of all available ports in the State. For instance, tile industry had already been proved to be a profitable concern and Government would be well justified in starting a tile factory. Avenue trees might be planted on road sides, preferably cocoanut trees which would yield some return. A beginning might be made by the Director of Agriculture who should be asked to cultivate paddy and other crops with a view to demonstrating to the agriculturist the most up-to-date method of cultivation on a large scale. The Member said that the above suggestion was made because that officer could carry on cultivation of land on a large scale. There was the Vembanad Reclamation Scheme which could conveniently be taken up by the Department of Agriculture. Those were some of the ways, in the Member's opinion, of increasing the income of both the Government and the people.

Dewan's reply.—I experience the same difficulty in replying to your speech also. You spoke about the low balances of Government and said that it is not a wise policy to have such low balances. As a matter of fact we had a low balance last year. Whether Government should accumulate balances, whether Government should equalise its revenue and expenditure, or whether Government should, even though it might not possess balances, forge ahead and extend its activities by adopting a policy of loans—these are all very important and big questions which do not admit of a categorical or dogmatic answer. Everything depends upon the circumstances of each case.

Then you spoke of retrenchment. I dare say that it has been the object of Government to effect retrenchment and I also said in my last year's Address that retrenchment should not be made a fetish to the prejudice of good administration. I claim that we have been retrenching as far as possible consistently with the efficiency of the administration and consistently with the policy that has been set before us, namely, a policy of administration which will be progressive and which will not kill initiative and progress. You suggest that a commission or committee might be appointed to examine the question of retrenchment and make suggestions. Will you excuse me if I say that analogies are inappropriate? You must first of all see what the circumstances in each country are, and whether the circumstances here necessitate or justify the appointment of a commission like that. The circumstances in which the British Government had to appoint committees to suggest drastic retrenchments are, in my opinion, altogether different from the circumstances with which we are faced here, and I believe you know that the Government here are not slow to appoint commissions when they consider that such appointments are useful. I do not think that any committee to examine and reconsider this question is imperatively necessary at present or would add much to the knowlege of the Government. You will remember that, after all, this Government is dealing with a small compact area and the various directions in which expenditure is incurred are things which could be easily ascertained and examined by the Government and its officers. Now that the Government have got the help of a composite committee also, *viz.*, the Finance Committee, it will not be a very difficult task. That committee will examine all important matters in their financial aspect and advise the Government. The functions of the Finance Committee are, as such, very wide. Government hope to receive considerable help from the Finance Committee and with the help of that committee I think Government could do all that is necessary to further examine this question of retrenchment.

Then in regard to industries, you touched upon large questions, *e. g.*, whether Government should itself start industries and work them or whether Government should only do a certain amount of demonstration, and encourage private industry. That again is a very large question to which the Government cannot give a categorical or definite answer. The answer will depend upon the circumstances of each

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case. I would like to remove the impression in this connection that the Government are indifferent in regard to the enhancement of facilities for export and import and to the development of their ports. I do not think that a more incorrect impression of things could exist. The Government are doing everything that they could possibly do to develop their ports ; but there is not a single port in Travancore which is open all the year round. Government are examining a scheme for making the Neendakara bar ever open, if possible. The Government have also called for proposals for enhancing the facilities to the traders at Alleppey and they have also a scheme for extending the pier at Trivandrum. Also, they are considering whether it would be possible to have something like a pier at Colachel. Government are engaged in looking into the requirements of the several ports and considering the creation of facilities according to the necessities of each. I would, therefore, state in this connection that it is not correct to say that the Government are indifferent in the matter of the development of their ports.

Then you referred to the appointment of agents—officers corresponding to consuls. I do not think that you have examined the matter thoroughly. I do not think that the dimensions of our trade are so great as to justify the appointment of consuls in the different commercial centres of the world. In regard to the elimination of the middleman and the provision of facilities for the traders to deal direct with the firms in foreign countries, I would say that the Director of Industries, more than a year ago, published a notice stating that he would be ready to obtain information regarding the markets where our goods would find the best sale, if only the people would apply to him for such information. If the exporter of a particular article wishes to know which is the best market for his article, the Director would enquire, find it out and let him know. I do not think the Director of Industries has received many enquiries in that direction. The decision of this Government to take part in the London Exhibition of 1924 has been made with the object of seeing whether we could get the best market for our goods and to see what the prices are that we could get for our goods, and if possible to see whether we should send out all our products as raw materials or as manufactured goods.

You referred to avenues. You will remember that I stated in my Address yesterday that, as regards the question of planting avenues, I had asked the Chief Engineer to submit proposals. Personally, I am also of opinion that, in addition to affording shade, these trees should also be a source of income. The matter is now pending with the Chief Engineer and Government will look into the same.

3. Suggestions for the adoption of a better financial policy for Government.

Mr. P. S. Manikkam Chettiyar (Member, Nominated) expressed satisfaction at the policy pursued by the Government in cutting down unnecessary expenditure without impairing efficiency and in appointing Indians to high offices hitherto held by Europeans. He also pointed out that the Kallar Scheme, the establishment of a Match factory and a Sugar factory, the opening of Panchayat Courts, the reduction of the Revenue Divisions and taluks, the establishment of Bench Magistrates, etc., clearly showed how deeply the Dewan was interested in the general welfare of the country He then observed that, although, on the whole, the State might be said to be prosperous, the condition of the agriculturists required improvement, and that it was regrettable that a sufficient number of educated men with the requisite qualifications were not coming forward to study the peculiar economic problems of the State on scientific lines and to spread correct ideas in regard to those problems among the people. He then referred to certain unsatisfactory features of the agricultural conditions in the State, such as the division and subdivision of land into numerous small holdings, the indebtedness of the agriculturists, the deterioration of cattle, the wastage of cattle manure, etc., and observed that, had the Government given as much attention to those matters as they deserved, they would not have raised all at once market fees, tolls, boat license fees, anchal rates, process fees and copying fees. He advocated a permanent revenue settlement for Travancore.

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